

FISCAL NOTE

SB 745 - HB 1178

March 9, 2001

SUMMARY OF BILL:

- Institutes a schedule of reimbursements for teachers participating in equal or better local education medical plans who are not eligible for Medicare. The schedule of reimbursement for such teachers would be equal to the state payment for teachers participating in the local education basic plan.
- Provides that payments on behalf of retirees who do not participate in the plan would be made directly to the local education agency (LEA). The LEA would certify to the Commissioner of Education the number of eligible retirees and the commissioner would distribute the funds.
- Requires the LEA to use all funds to reduce medical insurance premium payments of eligible retired teachers.
- Requires an appropriation to the Department of Education for distribution in accordance with this bill.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$4,349,550

Estimate assumes:

- The average benefit costs for retirees in the state-sponsored plan is approximately \$1,355.
- The total number of retirees for which the state would be required to supplement premiums to LEAs administering separate, employer-sponsored health plans is 3,210.

For information purposes:

- Based upon information provided by the Division of Insurance Administration in the Department of Finance and Administration, approximately 3,210 retirees participate in separate, employer-sponsored health plans.
- There are 16 school systems that administer separate employer-sponsored health plans.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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